

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Balance Sheet
As of 9/30/2006

11/6/2006

	As of <u>9-30-06</u>	As of <u>6-30-06</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 676,126,199	\$ 654,595,767
INTERNATIONAL EQUITIES	394,211,098	377,166,245
DOMESTIC FIXED INCOME	317,853,823	314,813,187
INTERNATIONAL FIXED INCOME	82,668,081	81,912,666
REAL ESTATE	193,096,004	182,884,803
VENTURE CAPITAL	73,320,078	69,410,721
INVESTED CASH (NOTE 1)	<u>4,091,083</u>	<u>15,969,730</u>
 TOTAL INVESTMENTS	 1,741,366,366	 1,696,753,119
 RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	8,050,301	8,616,986
CONTRIBUTIONS RECEIVABLE	1,330,518	7,715,230
MISCELLANEOUS RECEIVABLE	<u>3,646</u>	<u>1,320</u>
 TOTAL RECEIVABLES	 9,384,465	 16,333,536
 OTHER ASSETS		
OPERATING CASH (NOTE 2)	9,121,218	9,634,510
DUE FROM OTHER AGENCIES (NOTE 3)	<u>58,050</u>	<u>19,504</u>
 TOTAL ASSETS	 <u>\$ 1,759,930,099</u>	 <u>\$ 1,722,740,669</u>
 LIABILITIES:		
ACCOUNTS PAYABLE	2,041,720	2,041,720
ACCRUED EXPENSES	346,277	316,761
DUE TO OTHER AGENCIES (NOTE 4)	<u>0</u>	<u>57,240</u>
 TOTAL LIABILITIES	 2,387,997	 2,415,721
 NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,720,324,948	1,530,194,427
CASH IN DURING YEAR (NOTE 5)	32,799,000	143,769,000
CASH OUT DURING YEAR (NOTE 6)	32,799,000	143,769,000
NET INCREASE (DECREASE)	<u>37,217,154</u>	<u>190,130,521</u>
 NET ASSETS AVAILABLE END OF PERIOD	 <u>1,757,542,102</u>	 <u>1,720,324,948</u>
 TOTAL LIABILITIES & NET ASSETS AVAILABLE	 <u>\$ 1,759,930,099</u>	 <u>\$ 1,722,740,669</u>

TEACHERS' FUND FOR RETIREMENT
A Division of ND Retirement and Investment Office
Profit and Loss Statement
For the Month Ended 9/30/2006

	Month Ended <u>9-30-06</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 4,421,499	\$ 11,887,557
SECURITIES LENDING INCOME	579,790	1,692,533
	<u>5,001,289</u>	<u>13,580,090</u>
 GAIN ON SALE OF INVESTMENTS	 16,072,935	 36,723,489
LOSS ON SALE OF INVESTMENTS	<u>5,585,887</u>	<u>19,674,998</u>
 NET GAINS (LOSSES) INVESTMENTS	 10,487,048	 17,048,491
 INVESTMENT EXPENSES	 59,574	 1,631,768
SECURITIES LENDING EXPENSES	561,922	1,616,823
SIB ADMINISTRATIVE EXPENSES	<u>14,280</u>	<u>38,562</u>
 NET INVESTMENT INCOME	 14,852,561	 27,341,428
 NET APPREC (DEPREC) MARKET VALUE	 10,805,897	 31,685,643
MISCELLANEOUS INCOME/(EXPENSE)	<u>882</u>	<u>610</u>
 TOTAL INVESTMENT INCOME	 25,659,340	 59,027,681
 CONTRIBUTIONS & ASSESSMENTS (NOTE 7)	 2,910,848	 3,666,348
PURCHASED SERVICE CREDIT (NOTE 8)	223,948	839,407
PENALTY & INTEREST (NOTE 9)	<u>248</u>	<u>1,167</u>
 TOTAL ADDITIONS	 <u>28,794,384</u>	 <u>63,534,603</u>
DEDUCTIONS:		
BENEFITS PAID PARTICIPANTS (NOTE 10)	8,179,858	24,625,653
PARTIAL LUMP SUM BENEFITS PAID	45,991	513,849
REFUNDS TO MEMBER (NOTE 11)	<u>304,608</u>	<u>938,295</u>
 TOTAL BENEFITS PAID	 8,530,457	 26,077,797
 ADMINISTRATIVE EXPENSES		
RIO ADMINISTRATIVE CHARGE	91,490	239,652
MISCELLANEOUS EXPENSES	<u>0</u>	<u>0</u>
 TOTAL ADMINISTRATIVE EXPENSES	 <u>91,490</u>	 <u>239,652</u>
 TOTAL DEDUCTIONS	 <u>8,621,947</u>	 <u>26,317,449</u>
 NET INCREASE (DECREASE)	 <u>\$ 20,172,437</u>	 <u>\$ 37,217,154</u>

TEACHERS' FUND FOR RETIREMENT
Notes To Financial Statements
September 30, 2006

11/6/2006

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 INVESTED CASH

Pension Cash Pool invested in the short-term investment fund (STIF/STEP) at The Northern Trust Company.

NOTE 2 OPERATING CASH

TFFR money market and checking accounts at the Bank of North Dakota.

NOTE 3 DUE FROM OTHER AGENCIES

Amounts paid in anticipation of the allocation of administrative expenses of RIO.

NOTE 4 DUE TO OTHER AGENCIES

Amounts owed to RIO for administrative and direct costs charged.

NOTE 5 CASH IN DURING YEAR

Cash transferred into investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 6 CASH OUT DURING YEAR

Cash transferred out of investment accounts at The Northern Trust Company during the current fiscal year.

NOTE 7 CONTRIBUTIONS

Contributions on teachers' salaries of 7.75 percent of salary plus a matching contribution paid by the employer unit, for a total contribution of 15.5 percent that must be remitted monthly.

NOTE 8 PURCHASED SERVICE CREDIT

Payments received on the purchase of service credit for TFFR as allowed by the North Dakota Century Code.

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Notes to Financial Statements
9/30/2006

11/6/2006

NOTE 9 PENALTY & INTEREST

Amounts charged to school districts for late payment or reporting of contributions.

NOTE 10 BENEFITS PAID TO PARTICIPANTS

Monthly annuity benefits paid to retired teachers on the first of each month.

NOTE 11 REFUND TO MEMBERS

Refunds of teachers' accounts who have ceased teaching in North Dakota.